

*Annual*

**NEW PARK  
MINING  
COMPANY**

*Report*

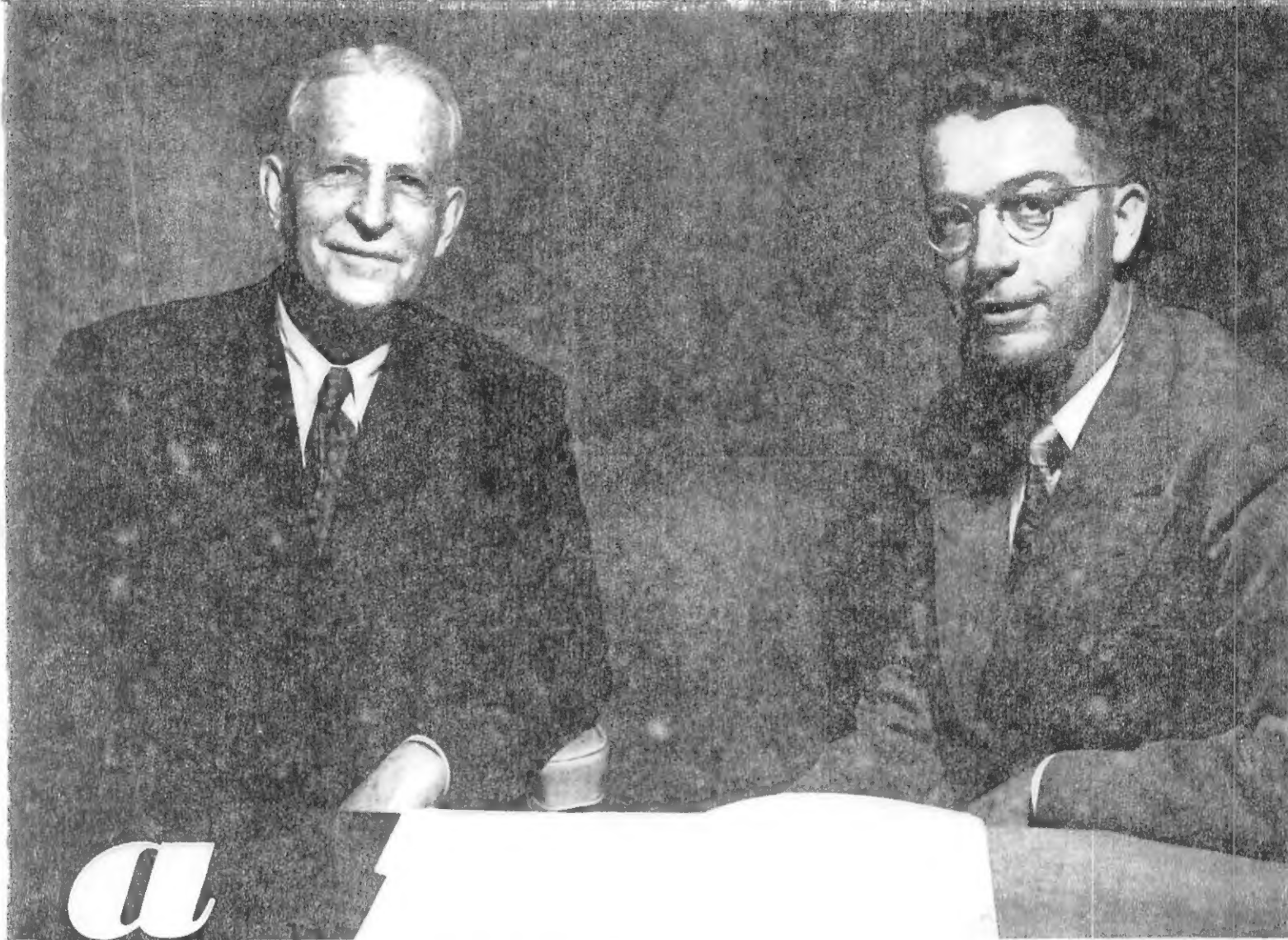
**1950**

# NEW PARK'S *Year* AT A GLANCE

## A SUMMARY OF 1950

	Percent	Total	Per Worker
<b>a</b> WE RECEIVED FROM SMELTERS AND MISCELLANEOUS INCOME . . .	100%	\$1,730,830.94	\$8,321
IN BUYING OUR PRODUCTS, THE SMELTERS PAID THE FOLLOWING COSTS:			
<b>b</b> Cost of Goods and Services Bought from Others . . . . .	23%	399,143.74	1,919
<b>c</b> Cost of Human Energy . . . . . (Payroll, Pensions, Benefits)	50%	861,251.20	4,141
<b>d</b> Cost of Tools Wearing Out . . . . . (Depreciation and Obsolescence)	6%	100,347.98	482
<b>e</b> Cost of Payments Ordered by Government . . . . . (Taxes)	7%	122,025.78	587
<b>f</b> Cost of Using Tools . . . . . (Profit)	14%	248,062.24	1,192
TOTAL EXPENDED . . . . .	100%	\$1,730,830.94	\$8,321

KEEP THIS PAGE OPEN BEFORE YOU



W. H. H. CRANMER  
President and General Manager

CLARK L. WILSON  
Superintendent and Director

## **TOTAL INCOME \$1,730,830.94**

THE MINING industry has been subjected to some very serious economic fluctuations during the post-war years. In January, 1949 prices of copper, lead and zinc were at an all time high, and within six months had dropped so low that we were forced to cease ore production for a period of 3 months. During the latter part of 1949 and the first 6 months of 1950, metal prices increased but still have not equalled the high point of January, 1949. During 1950 the unit costs to New Park for labor and materials increased with the national trend. Results of 1950 were appreciably better than 1949, and particularly so when considered with respect to the general economic conditions and the operating problems that face us at this time.

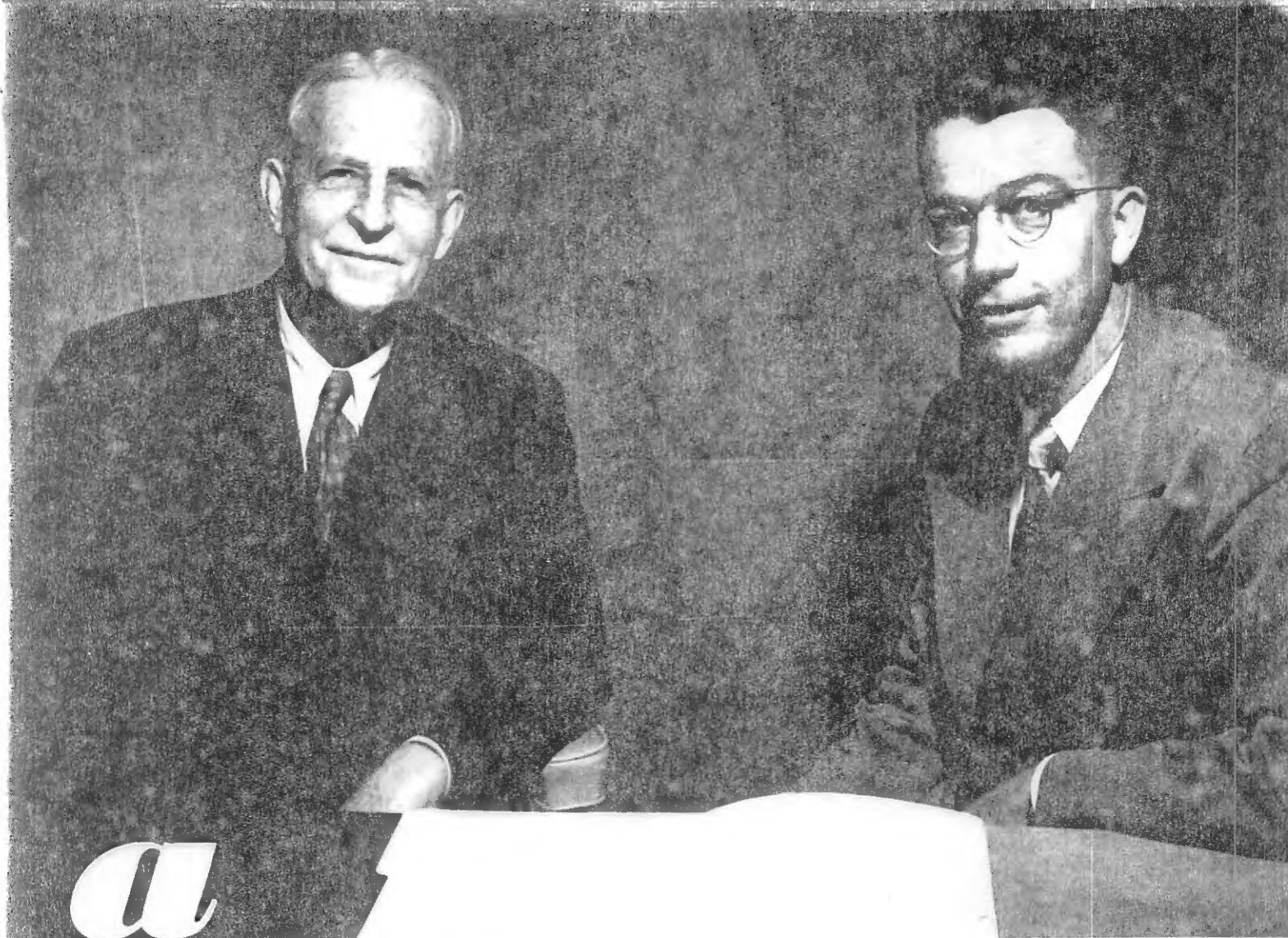
Gross income increased over 1949 by \$152,960.29. Ore shipments increased from 64,738

tons in 1949 to 70,480 tons in 1950. The average combined assays of lead and zinc increased from 10.62 percent in 1949 to 10.71 percent in 1950. The average silver assay increased 4 percent, and the gold assay increased 25 percent. Average copper assay remained the same for the 2 years.

The dollar value of the ore in 1950 was \$24.39 per ton compared to \$24.09 in 1949. Metal price variations were such that the payment received per unit of lead and zinc combined was 15 percent lower in 1950 than in 1949. A reduction in the railroad freight of 25¢ per ton helped to offset this price loss.

Development work in opening new ore bodies increased from 3,728 feet in 1949 to 4,192 feet in 1950. We anticipate that the trend to increase both tonnage and development work will continue in 1951.





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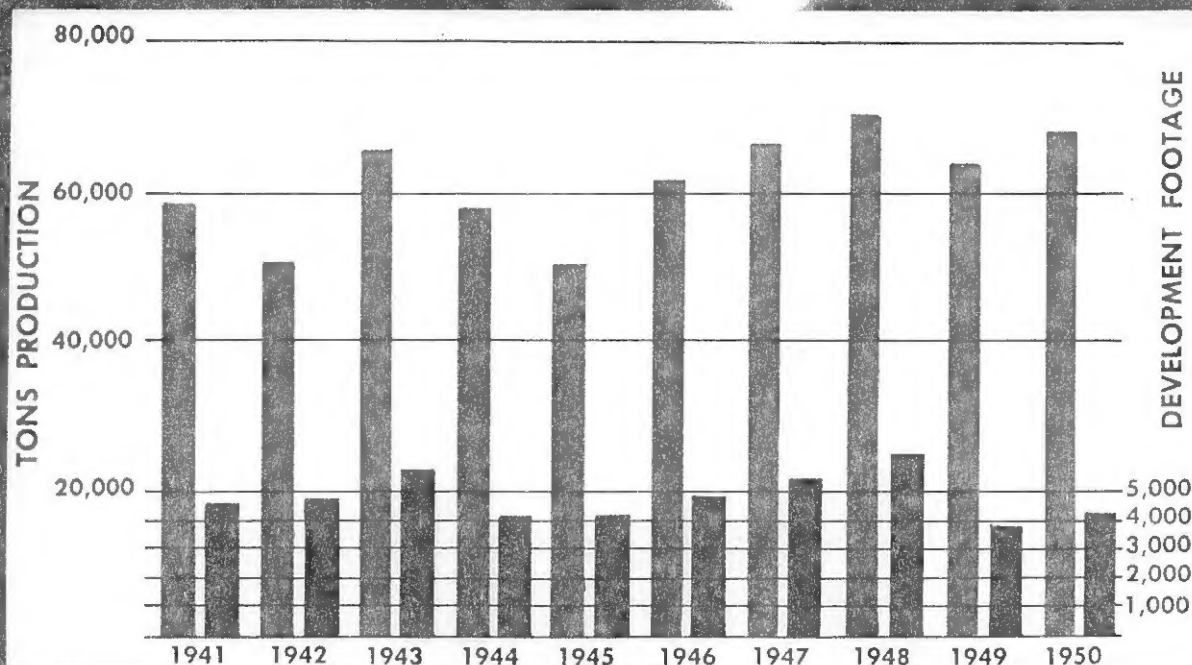
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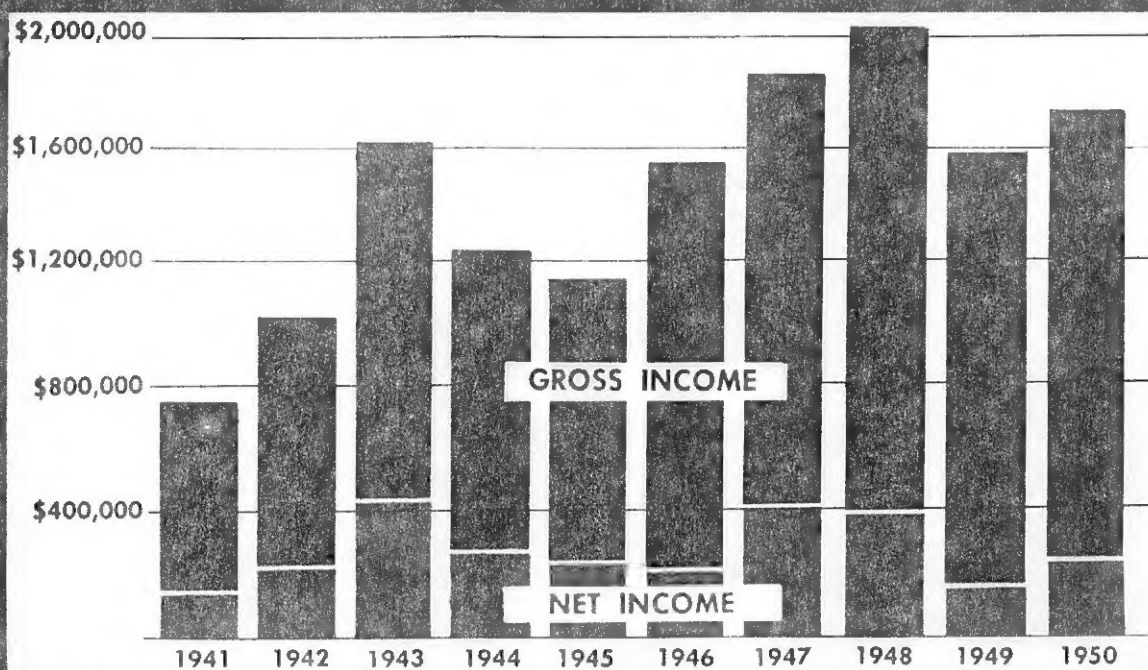
# DEVELOPMENT FOOTAGE AND ORE PRODUCTION (10 Year Period)



The Government Defense Minerals Administration has been organized to stimulate mining and exploration for critical metals such as copper, lead and zinc as produced at New Park. We have submitted an application for assistance on 3 exploration projects involving 9,650 feet of drift

work at a total estimated cost of approximately \$254,000. The Government plans to pay one-half of the cost. This will provide New Park with a splendid opportunity to complete important exploration work at a very reasonable cost to our Company.

# GROSS AND NET INCOME (10 Year Period)





# b

## GOODS and SERVICES Bought from Others

**\$399,143.74**

THIS EXPENSE increased on a cost per ton basis by 11¢ over 1949. This, in part, reflects the inflationary increase in prices of mine supplies. During the year it has been necessary to repair and rebuild some of our mine cars and mechanical loading machines. In extending the vertical range of mining operations from the 600 to the 1505 levels, there has been increased power consumption for hoisting, pumping, ventilation and compressed air. It has also been necessary to replace some of our old drilling machines and rebuild and replace batteries used in battery motor haulage. Timber purchased decreased in 1950 compared to 1949. General expense items in 1950 decreased by 27 percent over previous years.

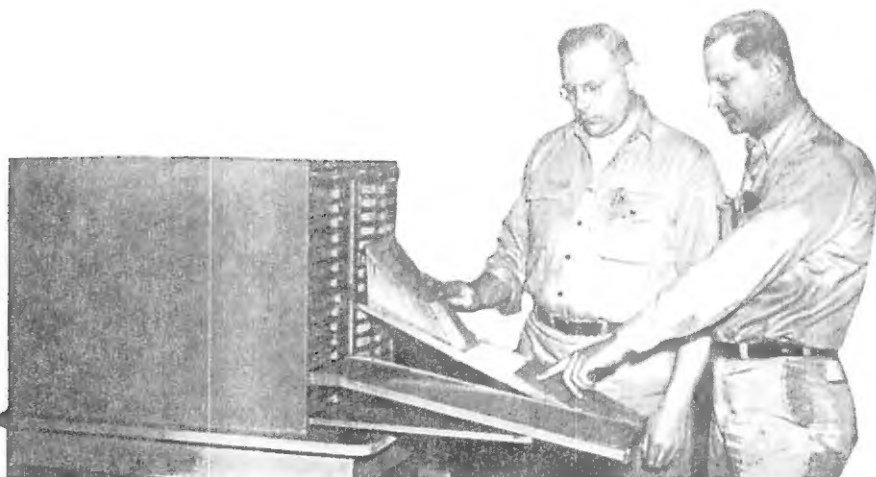
Better supervision of mine workings and mining methods has resulted from the cost analysis provided by our underground working place accounting system. Unit costs are available for both labor and materials in every working place, and these provide a means of evaluating results on a cost per ton basis. This also provides information to be used in planning future work in the mine.



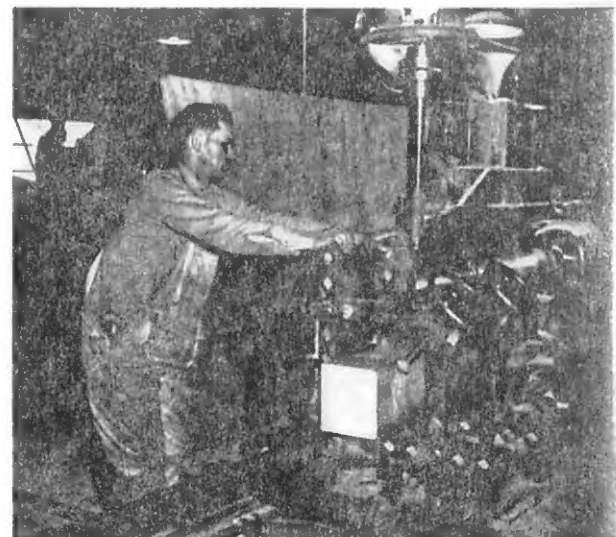
*Small tools are checked out from these underground tool houses.*



*Bill Cook adjusts mine ventilation equipment.*



*Jim Simpson and Fred Banks examine warehouse records.*



*Doyle Norton operates a timber framing saw.*

# HUMAN ENERGY - - (Payroll, Pensions, Benefits)



**\$861,251.20**

YOUR COMPANY has continued its effort to maintain progressive and cooperative relationships between employees, management and stockholders during the year 1950.

The number of employees increased during 1950 from 194 in January to 225 in December. New Park now has 32 employees with over 10 years' service and 52 with over 5 years' service.

In July a new agreement was signed with United Steel Workers of America C. I. O. Local Union No. 4264. Supplementing this agreement a new social insurance program was adopted for the benefit of all New Park employees. This includes health and accident, hospital and surgery and life insurance. The Company pays for each employee's coverage. Each worker pays for hospital and surgical insurance costs for his dependents. Employees may also participate in a retirement annuity insurance. The Company pays 61 percent of the total premium for this insurance and the employee 39 percent. The Company also pays the premium for workmen's compensation insurance, unemployment insurance and Federal Old Age Benefits. For every dollar paid in 1950 as employee's wages, New Park spent an additional 11¢ for the employee's benefits discussed above.



*Carl Harper, Office Manager, supervises mailing of checks for Dividend No. 19.*



*George Richardson and Harvey Thompson repair timber in the Mayflower tunnel.*



*Howard Berry, Master Mechanic, presents Safety award to Ted Booth, Electrician.*

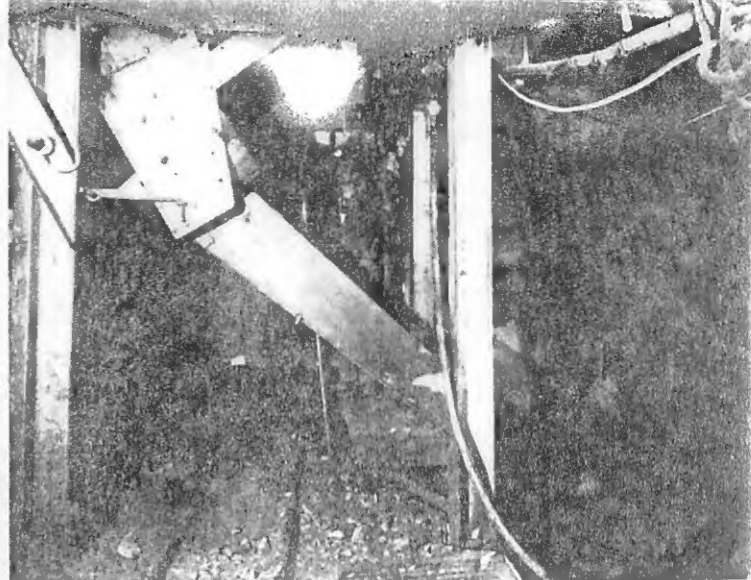


*Safety meetings are held during the lunch period in the mine.*





*Bill Mair, Foreman, and Ray Gilbert, Geologist, discuss operating procedures in the mine.*



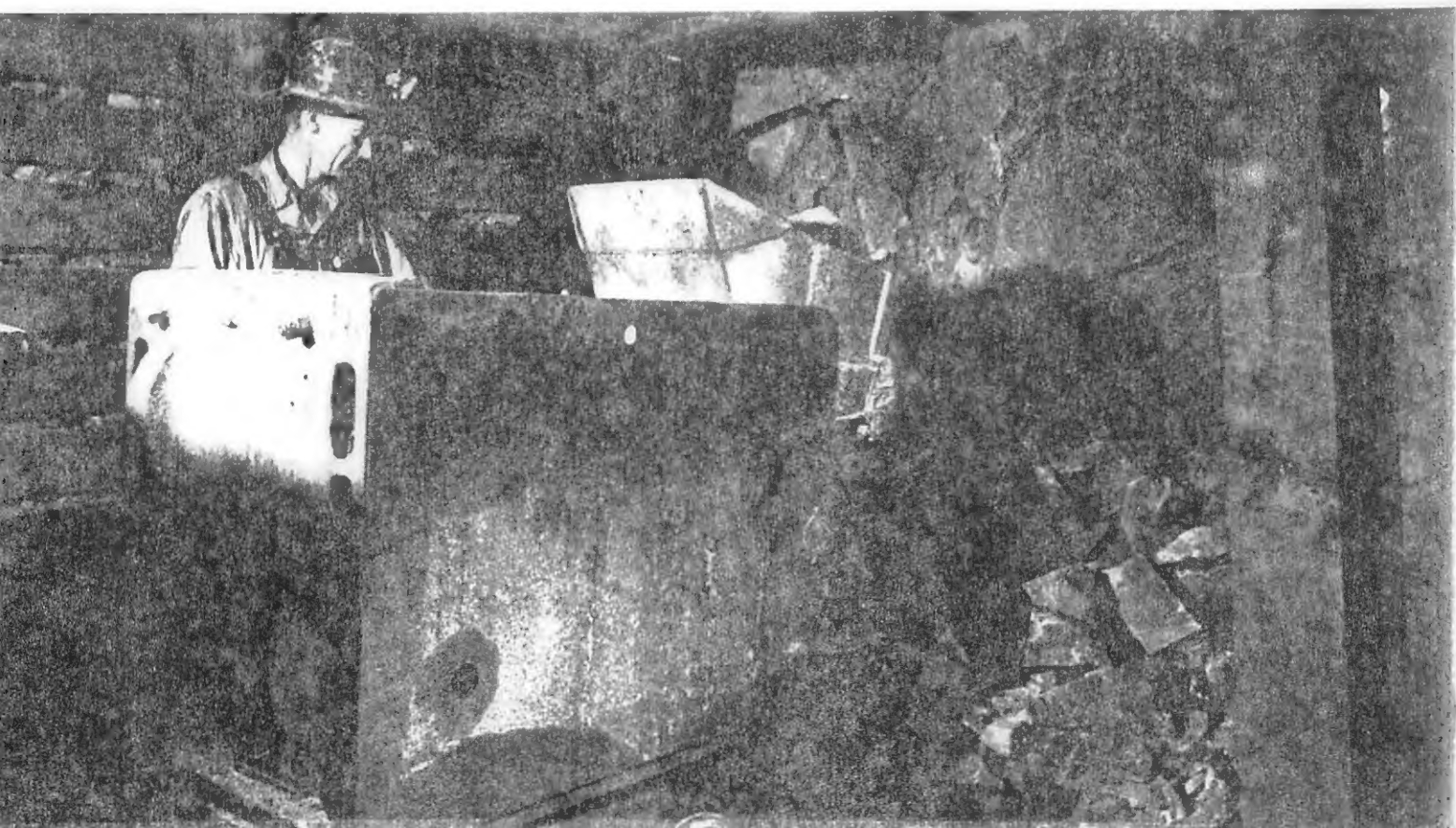
*Lee Mayoh supervises dumping waste in gob raises on the 800 level.*

Safety meetings have been held at regular intervals with employees to give everyone an opportunity to stimulate safety and personal well being on the job. Safety hazards and their prevention are the principal topics of discussion. The group pictured in the lower right hand corner of the preceding page are shown in a safety meeting held during the luncheon period.

For the second year, Labor and Management representatives jointly made inspections of the Mayflower Mine. Workers are contacted at their working places to stimulate safety consciousness, to obtain safety suggestions and to discuss safety problems.

In recognition of outstanding safe service, 84 New Park employees received bronze awards for

*Sandy Pyper operates a mucking machine in the Mayflower tunnel.*







*General view of the surface installations at the portal of the Mayflower tunnel.*

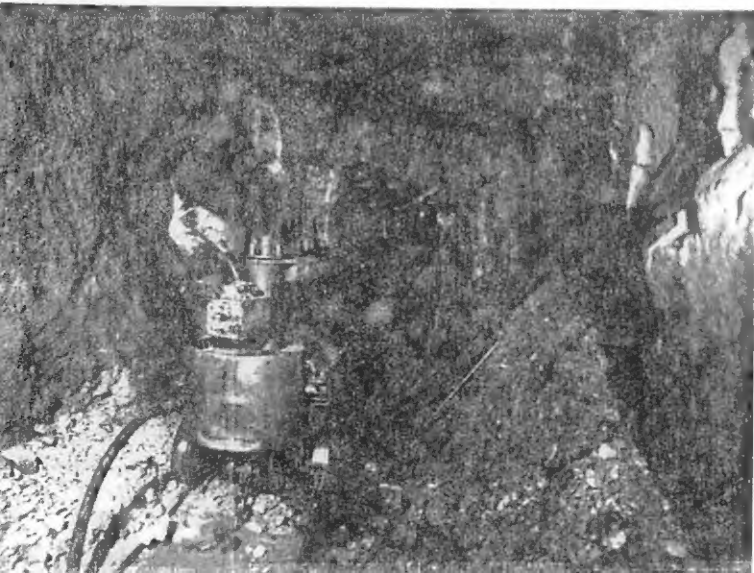
completing one to four years without losing any time because of industrial injuries. Silver awards for completing five to nine no lost time accident years were given to 44 employees, and 7 employees received gold awards for having worked ten to fourteen safe years.

We are cooperating with other mines in the Park City District in establishing a Mine Rescue

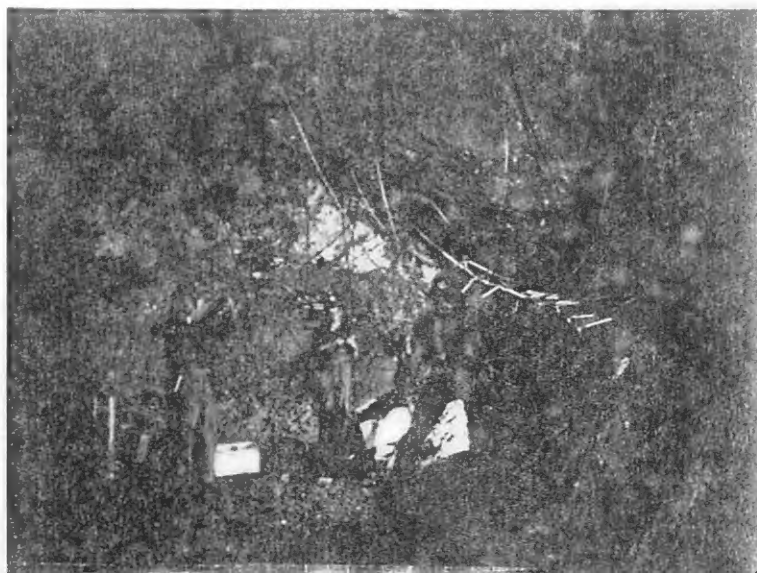
Station. New Park has 23 employees who have received mine rescue training. During 1950, 45 employees were trained in first aid by New Park instructors in cooperation with the U. S. Bureau of Mines.

All supervisors attend a monthly safety conference. Safety policies are discussed at this meeting to insure the safest possible production procedure.

*Drilling equipment on the Mayflower fissure on the 1505 level.*






*Miners load a stope round preparatory to blasting the ore.*

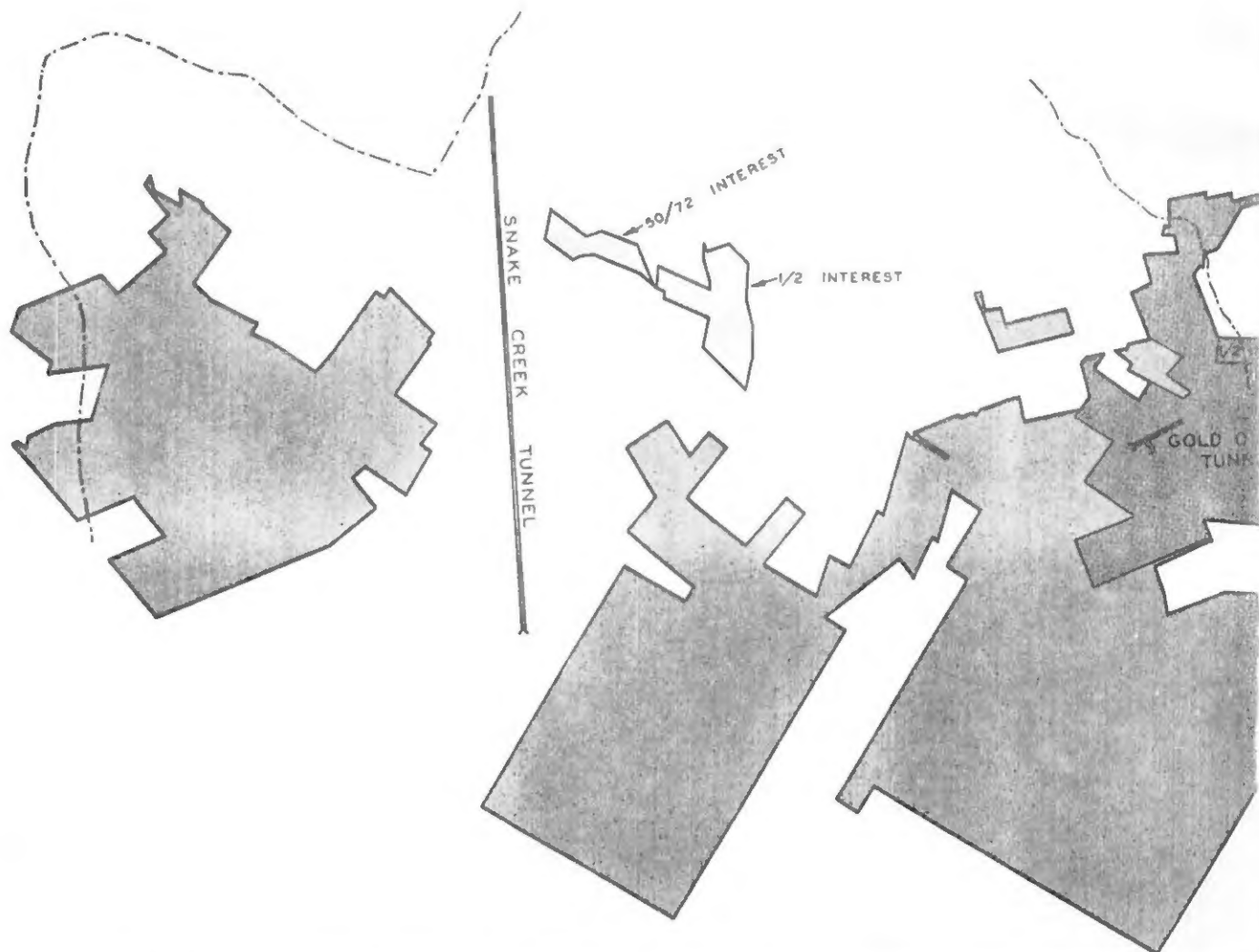




# MAP of NEW PARK HO

-  NEW PARK PROPERTY
-  NEW PARK PARTIAL INTERESTS
-  NEW PARK PROPERTY IN 1932  
AT TIME OF INCORPORATION

SCALE  
ONE MILE





# OLDINGS - PARK CITY AREA



# d

\$100,347.98

THIS ACCOUNT includes depreciation charges and other expenses and losses as indicated on the Statement of Income and Earned Surplus on Page 5. Of the \$100,347.98 charged to this cost in 1950, 67 percent represented depreciation on capitalized investments.

During the year New Park discontinued all oil operations at Sulphur Creek near Evanston, Wyoming. Our interests in this property were transferred to a Drilling Contractor to settle outstanding accounts for drilling and operating expense. Losses incurred in this work were completely written off in 1950.

New Park now controls approximately 21 per cent of the outstanding stock of Oil Incorporated. This Company has leases on property in favorable areas in Utah, Wyoming and Colorado and royalty agreements with the Continental Oil Company for a deep test at Castle Creek, Wyoming, and with Gulf Oil Company for similar work in the Uintah Basin in eastern Utah.

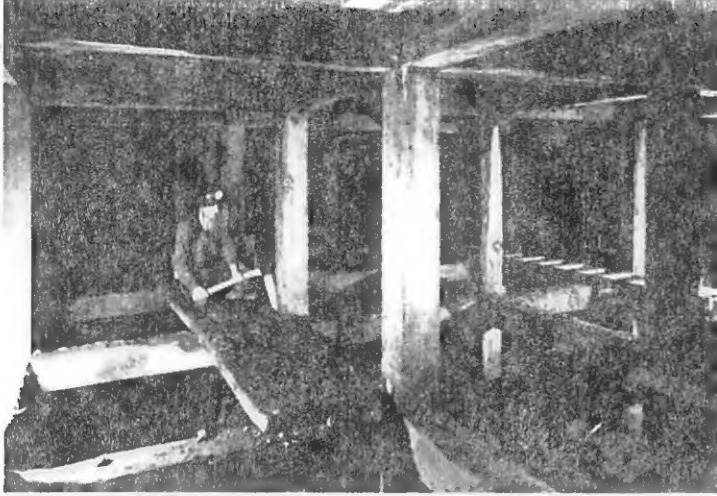
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During 1950 we installed 2 new large pumps on the 1380 level to replace worn out equipment and to provide greater pumping capacity. A stilling pond has been provided to settle excess

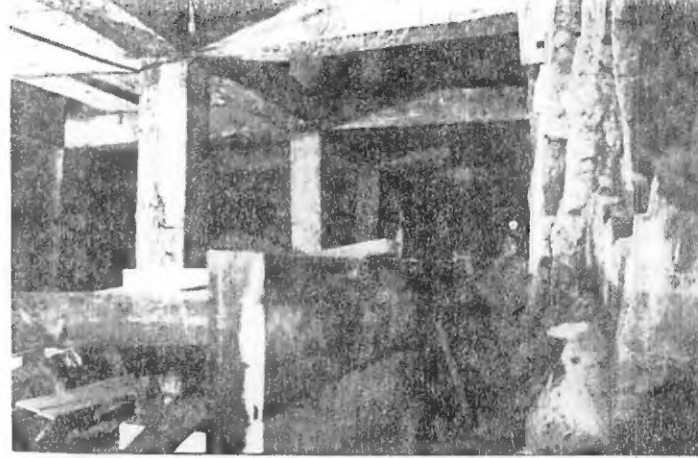
*The new Hoist as it appeared assembled at the factory.*







*Austin Thomas works on the timber in the hoist room.*



*Bill Sexton works on concrete footings in hoist room.*

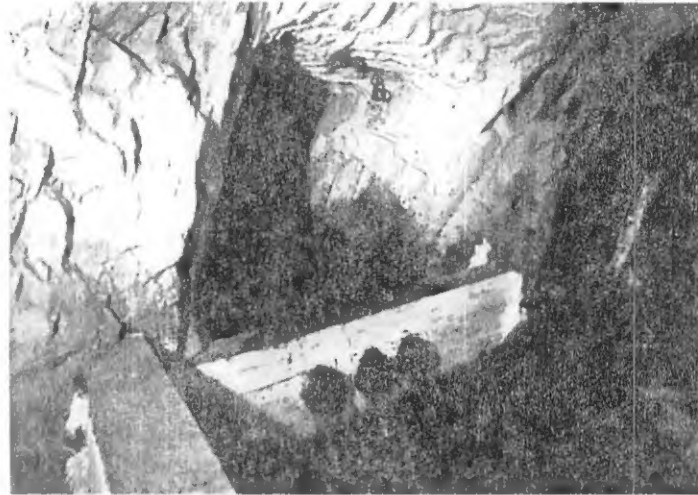
mud in the water and there is sufficient room to store the water during short interruptions in the power supply. All electrical equipment is installed in a fire resistant manner in a room excavated in solid rock. The accompanying photos present a complete picture of the equipment installation.

\* \* \* \*

The installation of the new 350 h. p. Nordberg Hoist has been complicated by loose rock conditions in the excavation of the hoist room. All rock excavation is now completed. It has been necessary to support this rock with regular square set timber and to excavate in such a manner as to reduce excessive overbreak caused by open fissures in the rock. We are now installing arched steel supports. Reinforced concrete will be placed back of the steel to support the rock and seal off any water drippage. The Mayflower shaft has been raised 45 feet to accommodate new sheave wheels and a 190-foot cable raise has been completed from the hoist room to the top of the shaft.

The completed hoist room will be 60 feet long, 30 feet wide and 20 feet high. The accompanying photos illustrate the hoist as assembled at the factory, the size of the room and the timber necessary to support the rock during the process of excavation.

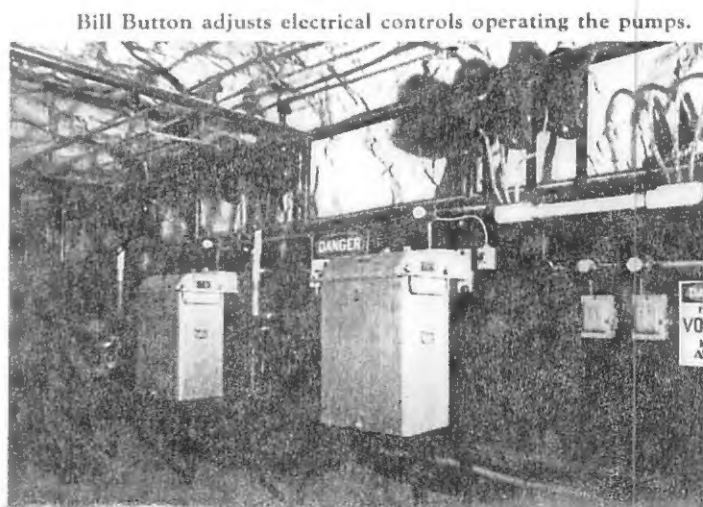
All of the major items of equipment for this installation have been purchased and are in stock. This project will be completed during 1951.



*Water from the 1380 level drains into the pump storage basin.*



*Lee Johnson checks the operations of the new pumps on the 1380 level.*



*Bill Button adjusts electrical controls operating the pumps.*



**\$122,025.78**

THE FOLLOWING tabulation compares tax payments for the years 1949 and 1950:

	1949	1950
Corporation Tax .....	\$ 9,228.87	\$ 3,472.15
Wasatch County Tax....	42,264.84	40,222.99
Occupation Tax .....	15,096.00	16,693.28
Federal Tax .....	22,800.37	61,637.36
Total .....	\$89,390.08	\$122,025.78

The change in this payment is mainly due to increased Federal Taxes which reflect increased Net Income from our mining operations during 1950 and also changes in the tax laws during the year.

During 1950 New Park acquired the interest of Newmont Mining Corporation in the General Connor Mining Company. This gave New Park 100 percent ownership of the General Connor Mining Company which was subsequently liquidated and its assets transferred to New Park. These assets include 249 acres of patented mineral rights, 6500 feet of tunnel equipped with operating equipment and surface buildings and facilities.

The picture shown below is a photograph of the portal area of the General Connor tunnel. The tunnel entrance is at the extreme left. Buildings include facilities for shops, warehouse, changeroom, and office.

*Connor tunnel portal facilities.*







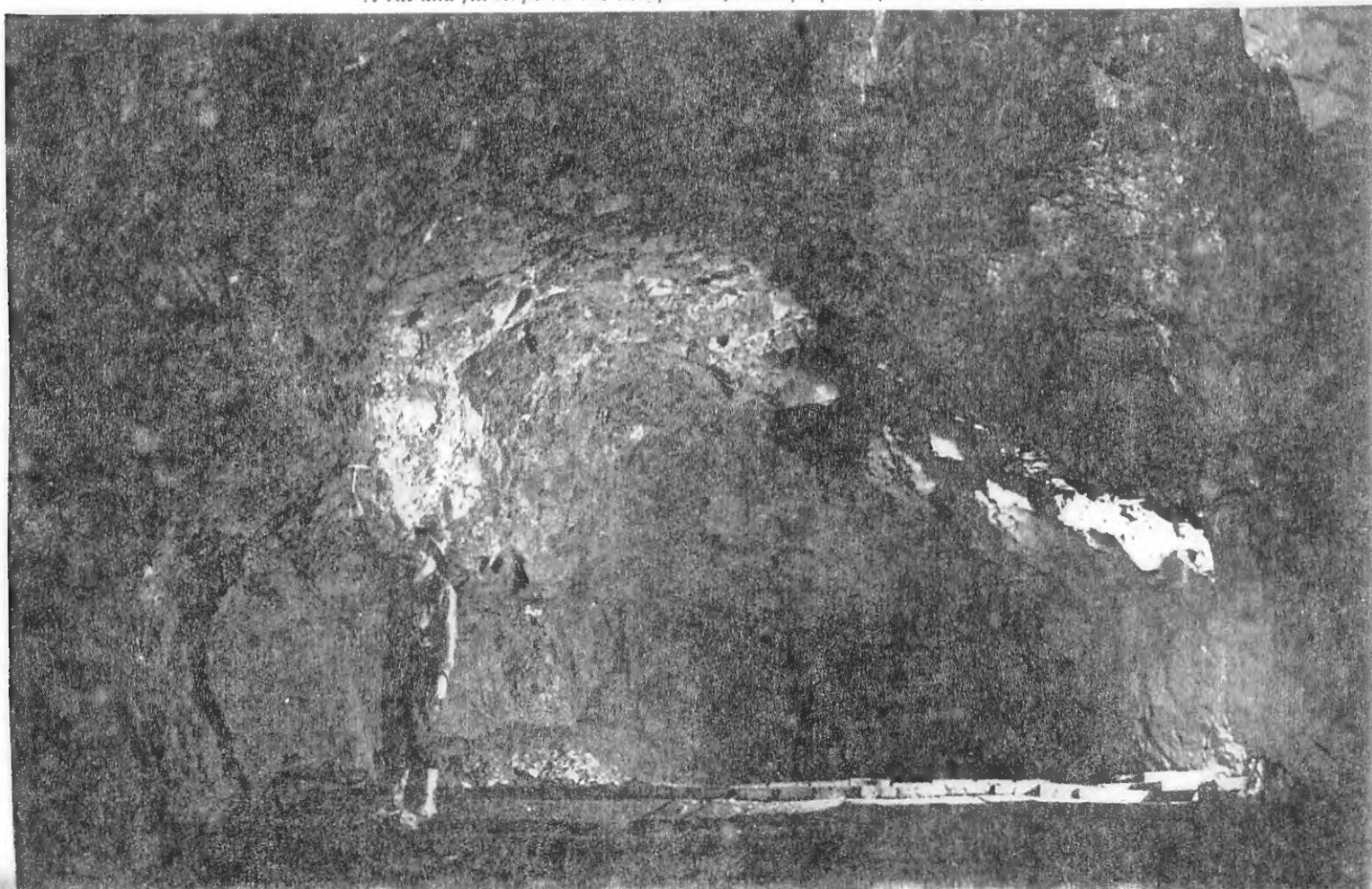
**\$248,062.24**

NET INCOME in 1950 was \$248,062.24 compared to \$161,727.65 in 1949. This increased income amounted to 8¢ per share of outstanding stock. Of this, 6¢ per share or \$179,930.49 was paid to stockholders during 1950 as Dividends Nos. 18 and 19. Dividends were first paid on New Park stock in June, 1941 and have been paid each succeeding year for a 10-year period. Total dividends paid from 1941 to December, 1950 amount to \$1,908,381.17, or 64¢ per share. Net working capital increased from \$157,682.22 in 1949 to \$250,541.84 in 1950. The working capital ratio showed a corresponding increase from 1.6 to 1.8. Total operating costs per ton decreased from \$21.89 per ton in 1949 to \$21.04 in 1950.

Included on the Map on Pages 10 and 11 is the property of the East Utah Mining Company. This Company has assets of \$608,787.27 including \$187,786.10 in current assets and \$420,477.25 in property accounts. During 1950 New Park acquired 1,055,491 shares of East Utah Mining Company and at December 31, 1950, owned 1,118,407 shares or 34.68 percent of the outstanding capital stock of East Utah Mining Company and has voting control of the Company.

This property has been opened by the tunnel acquired from the General Connor Mining Co. An application has been submitted to the Defense Minerals Administration for financial assistance to prospect strands of known ore-producing fissures in the East Utah property.

*A cut and fill slope on the Mayflower fissure prepared for blasting ore.*





# DIRECTORY

## New Park Mining Company

(A NEVADA CORPORATION)

Organized May 2nd, 1932

Capital Stock Authorized  
3,500,000 Shares

Par Value  
\$1.00 Each Nonassessable

### DIRECTORS

ORVEL BONNETT  
FRASER BUCK

ROBERT L. CRANMER  
W. H. H. CRANMER  
FRED E. WISE

CLARK L. WILSON  
R. C. WILSON

### OFFICERS

W. H. H. CRANMER  
President and General Manager

FRASER BUCK  
Secretary

R. C. WILSON  
First Vice-President and Treasurer

ROBERT L. CRANMER  
Assistant Secretary

CLARK L. WILSON  
Mine Superintendent

RAY E. GILBERT  
Chief Geologist

WILLIAM A. MAIR  
Mine Foreman

WALTER E. BAUER  
Mine Geologist

HOWARD L. BERRY  
Master Mechanic

F. A. KUHLMAN  
Mine Engineer

CARL D. HARPER  
Accountant & Purchasing Agent

PETER JORALEMON  
Contract Engineer

J. EARL SMITH  
Industrial Relations Mgr.

### ATTORNEY

Robert L. Cranmer, 903-904 Walker Bank Building, Salt Lake City, Utah.

### TRANSFER AGENTS and REGISTRARS

First Security Bank of Utah, Main & Exchange Branch, Salt Lake City, Utah

Irving Trust Company, One Wall Street, New York 15, New York

American Trust Company, Transfer Agent, San Francisco, California

Wells Fargo Bank & Union Trust Company, Registrar, San Francisco, California

### GENERAL OFFICES, KEETLEY, UTAH

Park City, P. O. Box 929

Phone Park City 50

SALT LAKE OFFICE - 903-904 WALKER BANK BUILDING

Phone 9-9811

Notice of Annual Stockholders' Meeting, Proxy and Proxy Statement will be mailed on or about May 21, 1951. This Annual Report is not a part of the Proxy soliciting material nor is it to be used as such.